

**RHODE ISLAND COMMERCE CORPORATION**  
**MEETING OF DIRECTORS**  
**PUBLIC SESSION**  
**JULY 28, 2014**

**The Board of Directors of the Rhode Island Commerce Corporation (the “Corporation”) met on Monday, July 28, 2014, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the notice of meeting to all Directors, and the public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by the By-Laws of the Corporation and applicable to Rhode Island law.**

**The following Directors were present and participated throughout the meeting as indicated: Governor Lincoln D. Chafee, Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.**

**Directors absent were: Mr. Jason Kelly, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Shannon Brawley.**

**Also present were: Marcel Valois and Thomas Carlotto.**

**1. CALL TO ORDER AND OPENING REMARKS**

**Governor Chafee called the meeting to order at 5:04 p.m. indicating that a quorum was present.**

## **2. TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETINGS HELD ON MAY 15, 2014 AND JUNE 23, 2014**

**Upon motion duly made by Mr. Adams and seconded by Ms. Francis, the following vote was adopted:**

**VOTED: To approve the Public Session Minutes of the meetings of May 15, 2014 and June 23, 2014, as submitted to the Board of Directors.**

**Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.**

**Voting against the foregoing were: None.**

## **3. EXECUTIVE DIRECTOR'S REPORT**

**Governor Chafee introduced Marcel Valois to discuss the Executive**

**Director's Report. See Exhibit B. Mr. Valois stated that a detailed report was available in the Board Members' packages for review. Mr. Valois then introduced John R. Pagliarini to provide an update on legislation impacting the Corporation and its subsidiary entities. See Exhibit C. Mr. Pagliarini then went on to review in detail various amendments to (i) the Corporation's governing statute, codified at R.I. Gen. Laws § 42-64-1, et seq.; (ii) the Career and Technical Education Act, codified at R.I. Gen. Laws § 16-45.1-1, et seq.; (iii) the Military Affairs and Defense - National Security Infrastructure Support Fund, codified at R.I. Gen. Laws §§ 30-32-4 through 30-32-7; (iv) the Quasi-Public Corporations Accountability and Transparency Act, codified at R.I. Gen. Laws § 42-155-1, et seq.; (v) the Quonset Development Corporation governing statute, codified at R.I. Gen. Laws § 42-61.10-1, et seq.; (vi) the Climate Change Resilient Rhode Island Act of 2014, codified at R.I. Gen. Laws § 42-6.2-1, et seq.; and the Labor and Labor Relations Act, codified at R.I. Gen. Laws § 28-43-35. Mr. Pagliarini, along with Mr. Valois and John Riendeau then discussed the Base Realignment and Closure Commission ("BRAC"), which is a process by a United States federal government commission to increase United States Department of Defense efficiency by planning end of the Cold War realignment and closure of military installations. Specifically, the discussion surrounded the effect of BRAC on Rhode Island.**

#### **4. TO RECEIVE A STATUS UPDATED REGARDING THE QUONSET DEVELOPMENT CORPORATION**

**Governor Chafee introduced Steve King to give a presentation regarding the Quonset Development Corporation (the “QDC”). See Exhibit D. Mr. King thanked the Governor and the Board Members for the opportunity to provide an update regarding the QDC. He started his presentation by noting that the QDC Park is home to more than 175 Rhode Island companies, providing in excess of 9,500 full-time and part-time jobs. Mr. King also noted that the QDC Port is now a top 10 auto importer for all of North America. He then continued on to discuss Cape Wind, LLC. Mr. King stated that the QDC Board of Directors approved a 12 month option-to-lease a 14 acre portion of the QDC Park, which could be used to stage the first two offshore wind farms in the United States. A lease was also negotiated and executed with Edesia, a non-profit organization that provides ready-to-use food. The lease is for a period of 25 years and will result in a new facility being built on a 10 acre parcel, ultimately resulting in an additional 75-100 jobs at the Park. Mr. King then briefly noted that Greencore breaks ground on its 100,000 square foot facility within a 90 day time period. He also mentioned that the second phase of construction of the Gateway Office complex is complete. Finally, Mr. King noted that the Toray Co-Generation Facility is scheduled to be completed by the end of August 2014 and that Electric Boat has commenced construction on a 100,000 square foot facility in the Park.**

## **5. TO CONSIDER FOR APPROVAL THE FISCAL YEAR 2015 BUDGET**

## **FOR THE CORPORATION**

**Governor Chafee called on Mr. Valois to give the Board of Directors a presentation with regard to the fiscal year 2015 budget for the Corporation. See Exhibit E. Mr. Valois noted that earlier in 2014, the Board of Directors adopted a resolution associated with the procedure for approving the Corporation's Budget. Specifically, that the Executive Committee of the Board of Directors would review the proposed budget in detail and make a recommendation to the full Board of Directors regarding the same. Mr. Valois noted that the Executive Committee reviewed the budget in detail on July 9, 2014, and recommend the budget for approval. Before voting with respect to the proposed budget, Mr. Valois gave a brief overview of the budget and various line items contained therein and fielded questions from the Board Members with respect thereto. The Board Members and Mr. Valois then discussed the time frame and process for creation and approval of the fiscal year 2016 budget.**

**Upon motion duly made by Mr. Adams and seconded by Mr. Wadensten, the following vote was adopted:**

**VOTED: To approve the fiscal year 2015 budget for the Rhode Island Commerce Corporation.**

**Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr.**

**Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.**

**Voting against the foregoing were: None.**

**6. TO CONSIDER FOR APPROVAL A LOAN MODIFICATION ASSOCIATED WITH THE PORTSMOUTH WIND TURBINE**

**Governor Chafee called on Paul Raducha and Gary Crosby to give the Board of Directors a presentation with regard to Portsmouth Wind Turbine (the “Turbine”). See Exhibit F. Mr. Crosby introduced himself as the Town Planner for the Town of Portsmouth and discussed his role in the installation of the Turbine and the benefits it provided to the Town of Portsmouth during the time period it operated. Mr. Crosby then introduced Mr. Raducha to continue with the presentation.**

**Mr. Raducha noted that the Turbine project was conceived in 2003, commissioned in 2009 and ultimately failed in 2012 due to a gearbox malfunction rendering the Turbine inoperative. He continued that there has been a significant amount of due diligence with respect to the re-commissioning of the Turbine. Ultimately, it has been determined that the cost of re-commissioning the Turbine will be approximately \$885,000.00. To date, the Rhode Island Attorney General has provided the Town of Portsmouth with a \$250,000.00 grant in connection with the re-commissioning of the Turbine. In addition, People’s Power and Light has signed a 10 year contract to**

provide the renewable energy credits to the Town of Portsmouth. He then went on to discuss the creation of a Repair and Maintenance Escrow Fund (the “Fund”). It was noted that the Fund will be funded at a rate of \$80,000.00 per year, to enable quick and prudent repairs to the Turbine should any future failure occur following the expiration of the six year warranty associated with the re-commissioning of the Turbine. It is expected that the Town of Portsmouth will contribute approximately \$65,000.00 annually towards the Fund; however, the Town of Portsmouth is seeking that the annual debt service payments currently due to the Corporation in connection with the 2009 loan for the Turbine be redirected into the Fund for the nine years following its establishment. The Town of Portsmouth has proposed a plan for payment to the Corporation, based upon funding levels of the Fund, which would result in repayment in full to the corporation in 2024, approximately one year later than initially contemplated pursuant to the documents evidencing the 2009 loan.

Upon motion duly made by Mr. Wadensten and seconded by Mr. Nee, the following vote was adopted:

**VOTED:** To approve the creation of an escrow account for the maintenance and repair of the Portsmouth Wind Turbine pursuant to the presentation to the Board of Directors and to authorize any two of the Chairman, Vice Chairman, Executive Director and/or Chief of Staff, acting in concert, to negotiate and execute any and all documents in connection therewith.

**Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.**

**Voting against the foregoing were: None.**

## **7. TO CONSIDER FOR APPROVAL THE FOLLOWING RENEWABLE ENERGY FUND MATTERS**

- a. A grant to Academy for Little Children in the amount of \$66,900.00;**
- b. A grant to Whole Foods in the amount of \$237,501.48;**
- c. A grant to Daniele, Inc. in the amount of \$54,000.00;**
- d. A grant to National Marker Company in the amount of \$232,014.00;**
- e. A grant to Bouchard Broadcasting in the amount of \$15,000.00;**
- f. A grant to Baby Greens Farm in the amount of \$12,600.00; and**
- g. A grant to Cromwell Ventures, LLC in the amount of \$89,164.00.**

**Governor Chafee introduced Hannah Morini for a presentation on the Renewable**

**Energy Fund (“REF”). See Exhibit G. Ms. Morini noted that the matters presented for approval represent the second round of Commercial Scale Funding applications for 2014. Ms. Morini noted that for the second quarter of 2014 there were seven applicants for Commercial Scale Funding, each of which met all of the program’s requirements. Ms. Morini then discussed the range of locations and**



recipients of the proposed second round of Commercial Scale Funding applications for 2014. Ms. Morini concluded her presentation by discussing the remaining REF funding for 2014 and the expected time-frame for the same.

Upon motion duly made by Mr. Nee and seconded by Ms. Donohue, the following vote was adopted:

**VOTED:** To approve the Renewable Energy Fund matters, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, and Ms. Elizabeth Francis.

Voting against the foregoing were: None.

Mr. Hebert recused himself with respect to the vote concerning the REF matters due to a personal and professional relationship with the principal of one of the applicants.

A copy of the Resolution is attached hereto as Exhibit H.

**8. TO CONSIDER FOR APPROVAL THE EXECUTIVE SESSION MINUTES FOR THE MEETING HELD ON JUNE 23, 2014**

**Upon motion duly made by Mr. Wadensten and seconded by Mr. Adams, the following vote was adopted:**

**VOTED: That, pursuant to Rhode Island General Laws Section 42-46-5(a)(2) or (4) to enter into Executive Session to consider the approval of the Executive Session minutes for the meeting held on June 23, 2014.**

**Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.**

**Voting against the foregoing were: None.**

**Members of the board, counsel and staff entered into closed session at 6:35 p.m.**

**The public session reconvened at 6:39 p.m.**

**Mr. Carlotto stated that during the Executive Session there was a unanimous vote of the Board taken to approve the Executive Session minutes for the meeting held on June 23, 2014 and that those minutes remain sealed.**

**Vote to Adjourn.**

**There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:41 p.m., upon motion made by Mr. Wadensten and seconded by Mr. Adams.**

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**Thomas Carlotto, Secretary**